

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11  
  
FUSELLA GROUP, LLC., : Case No. 08-14360(AJG)  
  
Debtor. :  
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**OPERATING STATEMENT FOR THE PERIOD**  
**FEBRUARY 1, 2009 TO FEBRUARY 28, 2009**

DEBTOR'S ADDRESS: 1201 Elder Avenue  
Bronx, NY 10472  
and  
40 DeForest Avenue  
East Hanover, NJ 07936

MONTHLY DISBURSEMENTS: \$ 677,319.49

DEBTOR'S ATTORNEY: SCOTT S. MARKOWITZ

REPORT PREPARER: Joseph A. Mazziotti

MONTHLY OPERATING PROFIT (LOSS): \$ (7,162.53)

REPORT PREPARED BY: Joseph A. Mazziotti

THIS OPERATING STATEMENT MUST BE SIGNED BY A REPRESENTATIVE OF THE  
DEBTOR.

THE UNDERSIGNED, HAVING REVIEWED THE ATTACHED REPORT AND  
BEING FAMILIAR WITH THE DEBTOR'S FINANCIAL AFFAIRS, VERIFIED UNDER  
THE PENALTY OF PERJURY, THAT THE INFORMATION CONTAINED THEREIN IS  
COMPLETE, ACCURATE AND TRUTHFUL TO THE BEST OF MY KNOWLEDGE.

DATE: April 1, 2009

By: /s/ Vincent J. Fusella, Jr.  
Vincent J. Fusella, Jr.

INDICATE IF THIS IS AN AMENDED STATEMENT BY CHECKING HERE: [ ]

**(DEBTOR IN POSSESSION)**  
**BALANCE SHEET**  
**FEBRUARY 28, 2009**

**ASSETS**

Current assets	
Cash	\$ 9,123.95
Accounts receivable	1,220,605.40
Employee advances	<u>11,510.88</u>
Total current assets	\$ 1,241,240.23
Property and equipment - net	<u>\$ 2,917,055.66</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 4,158,295.89</b></u>

**LIABILITIES AND MEMBERS' DEFICIT**

Liabilities not subject to compromise	
Accounts payable - trade	\$ 158,457.00
Accounts payable - professional fees	60,903.55
Accrued pension and welfare fund contributions	54,362.00
Union dues withheld (checkoff)	<u>7,589.00</u>
	\$ 281,311.55
Liabilities subject to compromise.	
Operating line of credit	390,000.00
Accounts payable - trade	777,592.77
Accrued pension and welfare fund contributions	753,602.83
Notes payable - current	721,275.88
Payroll liabilities	251,064.51
Union dues withheld (checkoff)	124,696.51
Notes payable - non-current	<u>1,918,481.00</u>
	<u>4,936,713.50</u>
Total liabilities	5,218,025.05
Members' deficit	<u>(1,059,729.16)</u>
<b>TOTAL LIABILITIES AND MEMBERS' DEFICIT</b>	<u><b>\$ 4,158,295.89</b></u>

**(DEBTOR IN POSSESSION)**  
**STATEMENT OF OPERATIONS AND ACCUMULATED MEMBERS' DEFICIT**  
**PERIOD FEBRUARY 1 - FEBRUARY 28, 2009**

Transportation revenue	\$	402,726.31
Cost of transportation		
Job labor (gross wages)	\$	67,614.76
Fuel		99,972.87
Tolls		36,600.00
Parts		26,206.36
Violations		10,245.20
Trucking expenses - other		8,061.95
Towing		7,781.74
Tires		7,494.88
Salt		7,298.64
Subcontractors		4,578.76
Repairs & Maintenance		<u>4,347.40</u>
Total costs of transportation	\$	<u>280,202.56</u>
Gross profit		<u>122,523.75</u>

**FUSELLA GROUP, LLC  
(DEBTOR IN POSSESSION)**

**STATEMENT OF OPERATIONS AND ACCUMULATED MEMBERS' DEFICIT  
PERIOD FEBRUARY 1 - FEBRUARY 28, 2009**

**Operating expenses**

Pension and welfare fund contributions	32,221.63
Depreciation	28,227.36
Guaranteed payments - G. Fusella	14,000.00
Guaranteed payments - V. Fusella	13,000.00
Office salary	10,742.31
Repairs and maintenance	10,113.60
Payroll taxes	9,985.54
Rent	7,300.71
Loan Interest (equipment financing)	5,439.27
Office	4,603.12
Automobile expense	3,947.54
Telephone	3,609.34
Permits and licenses	2,950.00
Professional fees	2,290.00
Insurance	2,016.79
Utilities	1,993.81
Tools & machinery (under \$500)	1,518.47
Payroll processing fees	1,306.72
Uniform cleaning	927.92
Postage and delivery	907.23
Bank service charges	654.00
Waste removal	477.12
Filing Fee	339.00
Travel & entertainment	283.28
Internet access fee	154.63
Garnishment	150.35
Cleaning	140.00
Storage	118.39
Drug Testing	61.70

**Total operating expenses**

159,418.13

**NET LOSS**

(35,389.89)

**MEMBERS' DEFICIT - FEBRUARY 1, 2009**

(1,024,339.27)

**MEMBERS' DEFICIT - FEBRUARY 28, 2009**

\$ (1,059,729.16)

**FUSELLA GROUP, LLC  
(DEBTOR IN POSSESSION)  
STATEMENT OF CASH FLOWS  
PERIOD FEBRUARY 1 - FEBRUARY 28, 2009**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss	<u>\$ (35,389.89)</u>
ADJUSTMENT TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
DEPRECIATION	\$ 28,227.36
Prior adjustment	
Decrease (Increase) In:	
Accounts receivable	125,175.72
Employee advances	70.00
Increase (decrease) in:	
Accounts payable	(8,810.21)
Accounts payable - professional fees	1,846.91
Accrued pension and welfare fund contributions	(79,438.33)
Union dues payable (checkoff)	<u>(10,318.17)</u>
TOTAL ADJUSTMENTS TO NET INCOME	<u>56,753.28</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>21,363.39</u>

**CASH FLOWS USED IN FINANCING ACTIVITIES**

Principal payments on notes payable	<u>(12,692.96)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(12,692.96)</u>
NET INCREASE IN CASH	8,670.43
CASH - FEBRUARY 1, 2009 (BEGINNING)	<u>453.52</u>
CASH - FEBRUARY 28, 2009 (ENDING)	<u>\$ 9,123.95</u>